

IN THE CLAIMS

Please amend the claims as follows:

Claims 1-4 (Canceled).

Claim 5 (Currently Amended): A liquid crystal element comprising:

a liquid crystal cell comprising transparent substrates having electrodes and a liquid crystal layer sandwiched between ~~them~~ the substrates, the liquid crystal cell having a retardation value for a linearly polarized light having a wavelength of  $\lambda$  incident and transmitting through the liquid crystal cell, the retardation value changing from  $R_1$  to  $R_2$  ( $R_1 > R_2 > 0$ ) when ~~the~~ a first voltage  $V_1$  applied between the electrodes is changed ~~from  $V_1$  to a~~ second voltage  $V_2$  ( $V_1 \neq V_2$ ); and

a phase plate having a retardation value  $R$  for a linearly polarized light having ~~[[a]]~~ the wavelength of  $\lambda$ , the retardation value  $R$  satisfying a relation  $R + R_v = m \times \lambda$  ( $m$ : integer) with a retardation value  $R_v$  generated by ~~the~~ a third voltage satisfying  $R_1 \geq R_v \geq R_2$ .

Claim 6 (Currently Amended): The liquid crystal element according to Claim 5, wherein ~~the~~ a liquid crystal in the liquid crystal element is a nematic liquid crystal, and ~~the~~ an alignment of ~~the~~ liquid crystal molecules is a parallel alignment in which the liquid crystal molecules are aligned in parallel in one direction between the transparent substrates when ~~the~~ a voltage is not applied, the ~~first~~ phase plate satisfies a relation  $R + R_v = 0$ , and ~~the~~ a fast axis direction of the ~~first~~ phase plate is within an angle of  $45^\circ$  with respect to ~~the~~ a slow axis direction of the liquid crystal layer.

Claim 7 (Currently Amended): The liquid crystal element according to Claim 5,  
which further comprises:

a polarizing diffraction grating comprising a birefringent material at at least one of ~~the~~  
a light input side and ~~the~~ a light output side of the liquid crystal element,

wherein the diffraction grating straightly transmits incident light having a first  
polarization direction without functioning as a polarizer, and diffracts incident light having a  
second polarization direction perpendicular to the first polarization direction by functioning  
as a polarizer.

Claim 8 (Currently Amended): The liquid crystal element according to Claim 6,  
which further comprises:

a polarizing diffraction grating comprising a birefringent material at at least one of ~~the~~  
a light input side and ~~the~~ a light output side of the liquid crystal element,

wherein the diffraction grating straightly transmits incident light having a first  
polarization direction without functioning as a polarizer, and diffracts incident light having a  
second polarization direction perpendicular to the first polarization direction by functioning  
as a polarizer.

Claims 9-12 (Canceled).